

116TH CONGRESS
2D SESSION

H. R. 8967

To require the Secretary of Health and Human Services to award a contract to an eligible nonprofit entity to establish and maintain a health care claims database for purposes of lowering Americans' health care costs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2020

Mr. BEYER introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Oversight and Reform, Armed Services, and Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the Secretary of Health and Human Services to award a contract to an eligible nonprofit entity to establish and maintain a health care claims database for purposes of lowering Americans' health care costs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Federal All-Payer
5 Claims Database Act of 2020".

1 **SEC. 2. ESTABLISHMENT AND MAINTENANCE OF HEALTH**

2 **CARE CLAIMS DATABASE TO LOWER HEALTH**

3 **CARE COSTS.**

4 (a) IN GENERAL.—Not later than the date that is
5 180 days after the date of the enactment of this Act, the
6 Secretary of Health and Human Services (referred to in
7 this section as the “Secretary”), acting through the Ad-
8 ministrator of the Centers for Medicare & Medicaid Serv-
9 ices and in consultation with the Secretary of Labor, shall
10 award a contract in accordance with subsection (b) to an
11 eligible nonprofit entity described in such subsection for
12 purposes of carrying out the requirements of such entity
13 under this section.

14 (b) CONTRACT WITH ELIGIBLE NONPROFIT ENTI-
15 TY.—

16 (1) COMPETITIVE PROCEDURES.—The Sec-
17 retary shall award the contract described in sub-
18 section (a) to an eligible nonprofit entity described
19 in paragraph (2) using full and open competition
20 procedures pursuant to chapter 33 of title 41,
21 United States Code.

22 (2) ELIGIBLE NONPROFIT ENTITY.—An eligible
23 nonprofit entity described in this paragraph is a
24 nonprofit entity that—

25 (A) is governed by a board that includes—

(i) representatives of the academic research community; and

14 (A) collecting and aggregating health care
15 claims data, ensuring quality assurance and se-
16 curity of such claims data, and securing such
17 claims data;

(B) supporting academic research on health care costs, spending, and utilization for and by privately insured patients;

(C) working with large health insurance issuers, group health plans, and third-party administrators of group health plans to assemble a health care claims database;

(D) effectively collaborating with and engaging stakeholders to develop reports;

(E) meeting budgets and timelines, including with respect to developing reports; and

(F) facilitating the creation of, or supporting, State all-payer claims databases.

(4) PERIOD OF CONTRACT.—

(A) IN GENERAL.—A contract awarded under this section shall be for a period of 5 years and may be renewed, subject to the full and open competition procedures described in paragraph (1).

(B) TRANSITION OF CONTRACT.—In the case that a contract is not renewed for a subsequent 5-year period under subparagraph (A) after the use of the full and open competition procedures described in paragraph (1), the Secretary shall require the entity whose contract is expiring to transfer all data maintained by the health care claims database described in paragraph (5)(A) to the entity to whom the Secretary has awarded a contract for the subsequent 5-year period. The entity whose contract is expiring may not disclose such data to any

1 other entity or keep such data after the expira-
2 tion of such contract.

3 (5) REQUIREMENTS OF CONTRACT.—Each con-
4 tract awarded under this section shall require the
5 entity awarded such contract to carry out each of
6 the following:

7 (A) Establish and maintain a health care
8 claims database in accordance with the require-
9 ments of the HIPAA privacy regulation.

10 (B) Ensure that such health care claims
11 database makes available data submitted under
12 subsection (d) in accordance with the require-
13 ments of subsection (c).

14 (C) In the case that the contract is not re-
15 newed after the end of the 5-year period of the
16 contract, carry out the transfer of data required
17 pursuant to paragraph (4)(B) in accordance
18 with a schedule and process determined by the
19 Secretary.

20 (D) Comply with the HIPAA privacy regu-
21 lation in the same manner and to the same ex-
22 tent as such regulation applies to a covered en-
23 tity (as defined pursuant to such regulation).

24 (E) Strictly limit staff access to such
25 health care claims database to staff with appro-

1 priate training, clearance, and background
2 checks, and require such staff to undergo reg-
3 ular privacy and security training.

4 (F) Maintain effective security standards
5 for transferring data from such health care
6 claims database and making such data available
7 to all individuals and entities who are author-
8 ized users pursuant to subsection (c)(2).

9 (G) Adhere to best security practices with
10 respect to the management and use of such
11 data for health services research, in accordance
12 with applicable Federal privacy law.

13 (H) Report on the security methods of the
14 entity to—

15 (i) the Secretary;
16 (ii) the Committee on Health, Edu-
17 cation, Labor, and Pensions, the Com-
18 mittee on Finance, and the Committee on
19 Commerce, Science, and Transportation of
20 the Senate; and

21 (iii) the Committee on Education and
22 Labor, the Committee on Energy and
23 Commerce, the Committee on the Judici-
24 ary, and the Committee on Ways and
25 Means of the House of Representatives.

1 (c) AVAILABILITY OF DATA FROM HEALTH CARE
2 CLAIMS DATABASE.—

3 (1) IN GENERAL.—Subject to paragraph (2),
4 the entity maintaining the health care claims data-
5 base described in subsection (b)(5)(A) shall make
6 available, at cost, the data submitted under sub-
7 section (d)—

8 (A) to patients to inform such patients
9 about the cost, quality, and value of their
10 health care;

11 (B) to health care providers and hos-
12 pitals—

13 (i) to assist such providers and hos-
14 pitals in making informed choices while
15 providing health care; and

16 (ii) to enable such providers and hos-
17 pitals to improve health care services pro-
18 vided to patients and health care outcomes
19 for such patients by benchmarking their
20 performance against that of other health
21 care providers and hospitals;

22 (C) to group health plans and health insur-
23 ance issuers offering individual or group health
24 insurance coverage to assist such group health
25 plans and health insurance issuers in evaluating

1 and reducing health care costs for enrollees of
2 such group health plans and individual or group
3 health insurance coverage, respectively;

4 (D) to States to facilitate State-led initiatives
5 to lower health care costs and improve the
6 quality of health care;

7 (E) to any State all-payer claims database
8 and regional health care claims database operated
9 pursuant to the authorization of each
10 State covered by such regional health care
11 claims database;

12 (F) to any individual or entity conducting
13 research;

14 (G) to the Secretary of Defense for purposes
15 of carrying out the TRICARE program
16 under chapter 55 of title 10, United States
17 Code;

18 (H) to the Director of the Office of Personnel
19 Management for purposes of carrying
20 out the Federal Employees Health Benefits
21 Program established under chapter 89 of title
22 5, United States Code; and

23 (I) to the Director of the Congressional
24 Budget Office, the Comptroller General of the
25 United States, the Executive Director of the

1 Medicare Payment Advisory Commission, and
2 the Executive Director of the Medicaid and
3 CHIP Payment Advisory Commission.

4 (2) AUTHORIZATION FOR ACCESS TO DATA.—

5 (A) IN GENERAL.—The entity maintaining
6 the health care claims database described in
7 subsection (b)(5)(A) may only make available
8 the data described in paragraph (1) to an indi-
9 vidual or entity described in any of subpara-
10 graphs (A) through (F) of such paragraph if
11 such individual or entity submits an application
12 to such entity requesting authorization for ac-
13 cess to such database in accordance with this
14 paragraph.

15 (B) APPLICATION.—An application under
16 this paragraph shall be submitted at such time,
17 in such manner, and containing such informa-
18 tion as the Secretary may require and shall in-
19 clude—

20 (i) in the case of an individual or enti-
21 ty requesting access to the health care
22 claims database described in subsection
23 (b)(5)(A) for research purposes—

24 (I) a description of the uses and
25 methodologies for evaluating health

1 system performance using the data
2 from such database; and

3 (II) documentation of approval of
4 such research purposes by an institu-
5 tional review board, if applicable for a
6 particular plan of research; and

7 (ii) in the case of a group health plan,
8 health insurance issuer, third-party admin-
9 istrator of a group health plan, or health
10 care provider requesting access to such
11 health care claims database for the pur-
12 pose of quality improvement or cost-con-
13 tainment, a description of the intended
14 uses for the data from such database.

15 (C) DATA USE AND CONFIDENTIALITY

16 AGREEMENT.—Upon approval of an application
17 under subparagraph (B), the authorized user
18 shall enter into a data use and confidentiality
19 agreement with the entity that approved such
20 application, which shall include a prohibition on
21 attempts to reidentify and disclose protected
22 health information and proprietary financial in-
23 formation. In the case of an approval of an ap-
24 plication for quality improvement or cost-con-
25 tainment purposes under subparagraph (B)(ii),

1 access to data from the health care claims data-
2 base described in subsection (b)(5)(A) shall be
3 provided in a form and manner such that the
4 authorized user may not obtain individually
5 identifiable price information with respect to di-
6 rect competitors.

7 (3) AVAILABILITY OF REPORTS AND ANALYSES
8 BASED ON DATA.—

9 (A) IN GENERAL.—Subject to subparagraph (B), the entity maintaining the health
10 care claims database described in subsection
11 (b)(5)(A), in consultation with the advisory
12 committee convened under subsection (e), shall
13 make available to all individuals and entities
14 who are authorized users pursuant to para-
15 graph (2) any report or analysis based on data
16 from such database, including aggregate data
17 sets, free of charge.

19 (B) CUSTOMIZED REPORTS.—Group health
20 plans may request customized reports from the
21 entity maintaining the health care claims data-
22 base described in subsection (b)(5)(A), at cost,
23 but subject to the requirements of the HIPPA
24 privacy regulation.

1 (d) SUBMISSION OF DATA TO HEALTH CARE CLAIMS

2 DATABASE.—

3 (1) IN GENERAL.—Subject to paragraphs (2)
4 and (3), a group health plan (through its sponsor,
5 third-party administrator, pharmacy benefit man-
6 ager, or other entity designated by the group health
7 plan) or a health insurance issuer offering group or
8 individual health insurance coverage shall electroni-
9 cally submit to the health care claims database
10 maintained under this section all claims data (in-
11 cluding claims with respect to treatment of sub-
12 stance use disorders and prescription drug claims)
13 with respect to the plan or group or individual
14 health insurance coverage, respectively.

15 (2) SCOPE OF INFORMATION AND FORMAT OF
16 SUBMISSION.—The entity maintaining the health
17 care claims database under this section, in consulta-
18 tion with the advisory committee convened under
19 subsection (e), shall—

20 (A) specify the data elements required to
21 be submitted under paragraph (1), which shall
22 include all data related to transactions de-
23 scribed in subparagraphs (A) and (E) of section
24 1173(a)(2) of the Social Security Act (42
25 U.S.C. 1320d–2(a)(2)), including all data ele-

1 ments normally present in such transactions
2 when adjudicated, and enrollment information;

3 (B) specify the form and manner for sub-
4 missions under this subsection and the histor-
5 ical period to be included in the initial submis-
6 sion; and

7 (C) offer an automated submission option
8 to minimize administrative burdens relating to
9 the submission of data under this subsection.

10 (3) DE-IDENTIFICATION OF DATA.—The entity
11 maintaining the health care claims database under
12 this section, in consultation with the advisory com-
13 mittee convened under subsection (e), shall—

14 (A) establish a process under which data is
15 de-identified in accordance with section
16 164.514(a) of title 45, Code of Federal Regula-
17 tions (or any successor regulations), while re-
18 taining the ability to link data longitudinally for
19 the purposes of research on cost and quality
20 and the ability to complete risk adjustment and
21 geographic analysis;

22 (B) ensure that any third-party sub-
23 contractors who perform the de-identification
24 process described in subparagraph (A) retain
25 the minimum necessary information to perform

1 such process and adhere to effective security
2 and encryption practices in data storage and
3 transmission;

4 (C) store claims and other data collected
5 under this subsection only in de-identified form,
6 in accordance with section 164.514(a) of title
7 45, Code of Federal Regulations (or any suc-
8 cessor regulations); and

9 (D) ensure that data is encrypted, in ac-
10 cordance with the HIPAA privacy regulation.

11 (4) OTHER DATA.—

12 (A) MEDICAID DATA.—The Administrator
13 of the Centers for Medicare & Medicaid Serv-
14 ices shall submit all health care claims data
15 with respect to the Medicare program under
16 title XVIII of the Social Security Act (42
17 U.S.C. 1395 et seq.) and the Medicaid program
18 under title XIX of such Act (42 U.S.C. 1396 et
19 seq.) in accordance with scope, format, and de-
20 identification requirements applicable pursuant
21 to paragraphs (2) and (3).

22 (B) TRICARE.—The Secretary of Defense
23 shall submit all health care claims data with re-
24 spect to the TRICARE program under chapter
25 55 of title 10, United States Code, in accord-

1 ance with scope, format, and de-identification
2 requirements applicable pursuant to paragraphs
3 (2) and (3).

4 (C) FEHB.—The Director of the Office of
5 Personnel Management shall submit all health
6 care claims data with respect to the Federal
7 Employee Health Benefits program in accord-
8 ance with scope, format, and de-identification
9 requirements applicable pursuant to paragraphs
10 (2) and (3).

11 (D) STATE DATA.—The entity maintaining
12 the health care claims database under this sec-
13 tion may collect data from State all-payer
14 claims databases that seek access to such health
15 care claims database. A State may require
16 health insurance issuers and other payers to
17 submit claims data to a State-mandated all-
18 payer claims database, provided that such data
19 is submitted in a form and manner established
20 by the Secretary. A State may also require
21 health insurance issuers and other payers to
22 submit claims data to the health care claims
23 database maintained under this section, pro-
24 vided that such data is submitted in a form and
25 manner established by the Secretary and con-

1 sistent with scope, format, and de-identification
2 requirements applicable pursuant to paragraphs
3 (2) and (3).

4 (5) PROHIBITION.—Any individual or entity re-
5 quired to submit data under this subsection may not
6 place any restrictions on the use of such data by au-
7 thorized users under subsection (c)(2).

8 (e) ADVISORY COMMITTEE.—

9 (1) IN GENERAL.—Not later than the date that
10 is 180 days after the date of the enactment of this
11 Act, the Secretary shall convene an advisory com-
12 mittee (referred to in this subsection as the “Com-
13 mittee”) to advise the Secretary, any entity awarded
14 a contract under subsection (b), and Congress on
15 the establishment, operations, and use of the health
16 care claims database established and maintained
17 under this section.

18 (2) MEMBERSHIP.—

19 (A) APPOINTMENT.—In accordance with
20 clause (ii), the Secretary, in consultation with
21 the Comptroller General of the United States,
22 shall appoint members to the Committee who
23 have distinguished themselves in the fields of
24 health services research, health economics,
25 health informatics, or the governance of State

1 all-payer claims databases, or who represent or-
2 ganizations likely to submit data to or use the
3 health care claims database established and
4 maintained under this section, including pa-
5 tients, health care providers, group health
6 plans, health insurance issuers, and third-party
7 administrators of group health plans.

8 (B) COMPOSITION.—For purposes of
9 clause (i)—

10 (i) the Secretary shall appoint to the
11 Committee—

12 (I) one member to serve as the
13 chair of the Committee;

14 (II) the Assistant Secretary for
15 Planning and Evaluation of the De-
16 partment of Health and Human Serv-
17 ices;

18 (III) one representative from the
19 Centers for Medicare & Medicaid
20 Services;

21 (IV) one representative from the
22 Agency for Health Research and
23 Quality;

24 (V) one representative from the
25 Office for Civil Rights of the Depart-

ment of Health and Human Services with expertise in data privacy and security; and

(VI) one representative of the National Center for Health Statistics; and

(ii) the Comptroller General of the United States shall appoint to the Committee—

(I) one representative from an employer that sponsors a group health plan;

(II) one representative from an employee organization that sponsors a group health plan;

(III) one academic researcher with expertise in health economics or health services research;

(IV) one patient advocate:

(V) one representative of Designated Standards Maintenance Organizations named by the Secretary of Health and Human Services to maintain standards adopted under regulations promulgated under section

1 264(c) of the Health Insurance Port-
2 ability and Accountability Act of 1996
3 (42 U.S.C. 1320d–2 note);

4 (VI) one representative with ex-
5 pertise in the governance of State all-
6 payer claims databases; and

7 (VII) two additional members.

8 (C) TERMS AND VACANCIES.—Members of
9 the Committee shall serve three-year terms on
10 a staggered basis. A vacancy on the Committee
11 shall be filled by appointment in a manner con-
12 sistent with the requirements of this subsection
13 not later than 90 days after the vacancy arises.

14 (3) DUTIES.—The Committee shall—

15 (A) assist and advise the Secretary on the
16 management of contracts awarded under sub-
17 section (b);

18 (B) assist and advise entities awarded such
19 contracts in establishing—

20 (i) the appropriate uses of data by all
21 individuals and entities who are authorized
22 users pursuant to subsection (c)(2), includ-
23 ing developing standards for the approval
24 of applications submitted pursuant to such
25 subsection; and

14 (E) establish additional restrictions on re-
15 searchers who receive compensation from enti-
16 ties specified by the Committee in order to pro-
17 tect proprietary financial information; and

18 (F) establish objectives for research and
19 public reporting.

20 (f) FUNDING.—

1 tation of the initial contract and establishment of
2 the database under this section.

3 (2) ONGOING FUNDING.—There are authorized
4 to be appropriated \$15,000,000 for each of fiscal
5 years 2022 through 2026, for purposes of carrying
6 out this section (other than the grant program
7 under subsection (h)).

8 (g) ANNUAL REPORT.—Not later than March 1,
9 2022, and March 1 of each year thereafter, the entity with
10 a contract in effect under subsection (b) shall submit to
11 Congress and the Secretary, and make publicly available
12 on an internet website, a report containing a description
13 of—

14 (1) trends in the price, utilization, and total
15 spending on health care services, including a geo-
16 graphic analysis of differences in such trends;

17 (2) limitations in the data set;

18 (3) progress towards the objectives of this sec-
19 tion; and

20 (4) the performance by the entity of the duties
21 required under such contract.

22 (h) GRANTS TO STATES.—

23 (1) IN GENERAL.—The Secretary may award
24 grants to States for the purpose of establishing and

1 maintaining State all-payer claims databases that
2 improve transparency of health care claims data.

3 (2) FUNDING.—There is authorized to be ap-
4 propriated \$100,000,000 for the period of fiscal
5 years 2021 through 2028 for the purpose of award-
6 ing grants to States under this subsection.

7 (i) EXEMPTION FROM PUBLIC DISCLOSURE.—

8 (1) IN GENERAL.—Data submitted to the
9 health care claims database under subsection (d)
10 shall not be considered public records and shall be
11 exempt from any Federal law relating to public dis-
12 closure requirements.

13 (2) RESTRICTIONS ON USES FOR CERTAIN PRO-
14 CEEDINGS.—Such data may not be subject to dis-
15 covery or admission as public information or evi-
16 dence in judicial or administrative proceedings with-
17 out the consent of the affected parties.

18 (j) DEFINITIONS.—In this section:

19 (1) HIPAA PRIVAY REGULATION.—The term
20 “HIPAA privacy regulation” has the meaning given
21 such term in section 1180(b)(3) of the Social Secu-
22 rity Act (42 U.S.C. 1320d–9(b)(3)).

23 (2) PHSA DEFINITIONS.—The terms “group
24 health plan”, “group health insurance coverage”,
25 “health insurance issuer”, and “individual health in-

1 surance coverage” have the meanings given such
2 terms in section 2791 of the Public Health Service
3 Act (42 U.S.C. 300gg–91).

4 (3) PROTECTED HEALTH INFORMATION.—The
5 term “protected health information” has the mean-
6 ing given such term in section 160.103 of title 45,
7 Code of Federal Regulations (or any successor regu-
8 lations).

9 (4) PROPRIETARY FINANCIAL INFORMATION.—
10 The term “proprietary financial information”—

11 (A) means data that would disclose the
12 terms of a specific contract between an indi-
13 vidual health care provider or facility and a spe-
14 cific group health plan, Medicaid managed care
15 organization or other managed care entity, or
16 health insurance issuer offering group or indi-
17 vidual health insurance coverage; and

18 (B) does not include any billing or pay-
19 ment information from claims between such a
20 provider or facility and such a health plan,
21 managed care organization or other managed
22 care entity, or health insurance issuer.

23 (k) CONFORMING AMENDMENTS.—

24 (1) PHSA.—Subpart II of part A of title
25 XXVII of the Public Health Service Act (42 U.S.C.

1 300gg–11 et seq.) is amended by adding at the end
2 the following new section:

3 **SEC. 2730. HEALTH CARE CLAIMS DATABASE REPORTING**
4 **REQUIREMENT.**

5 “A group health plan and a health insurance issuer
6 offering group or individual health insurance coverage
7 shall comply with the provisions of section 1(d) of the Fed-
8 eral All-Payer Claims Database Act of 2020.”.

9 (2) ERISA.—

10 (A) IN GENERAL.—Subpart B of part 7 of
11 subtitle B of title I of the Employee Retirement
12 Income Security Act of 1974 (29 U.S.C. 1185
13 et seq.) is amended by adding at the end the
14 following new section:

15 **SEC. 716. HEALTH CARE CLAIMS DATABASE REPORTING**
16 **REQUIREMENT.**

17 “A group health plan and a health insurance issuer
18 offering group health insurance coverage shall comply with
19 the provisions of section 1(d) of the Federal All-Payer
20 Claims Database Act of 2020.”.

21 (B) CLERICAL AMENDMENT.—The table of
22 contents in section 1 of such Act is amended by
23 inserting after the item relating to section 714
24 the following new items:

“Sec. 715. Additional market reforms.

“Sec. 716. Health care claims database reporting requirement.”.

1 (3) IRC.—

2 (A) IN GENERAL.—Subchapter B of chapter 100 of the Internal Revenue Code of 1986
3 is amended by adding at the end the following
4 new section:

6 **“SEC. 9816. HEALTH CARE CLAIMS DATABASE REPORTING**

7 **REQUIREMENT.**

8 “A group health plan shall comply with the provisions
9 of section 1(d) of the Federal All-Payer Claims Database
10 Act of 2020.”.

11 (B) CLERICAL AMENDMENT.—The table of
12 sections for such subchapter is amended by
13 adding at the end the following new items:

“See. 9815. Additional market reforms.

“Sec. 9816. Health care claims database reporting requirement.”.

14 **SEC. 3. STUDY AND REPORTS BY COMPTROLLER GENERAL.**

15 (a) STUDY.—The Comptroller General of the United
16 States shall conduct a study on—

17 (1) the performance of each entity awarded a
18 contract under subsection (b) of section 1;

19 (2) the privacy and security of any data submitted to such entity under subsection (d) of such
20 section; and

22 (3) the costs incurred by such entity in performing duties under such a contract.

1 (b) REPORTS.—Not later than two years after the ef-
2 fective date of the first contract awarded under section
3 1(b), and again not later than four years after such effec-
4 tive date, the Comptroller General of the United States
5 shall submit to Congress a report containing the results
6 of the study conducted under subsection (a), together with
7 recommendations for such legislation and administrative
8 action as the Comptroller General determines appropriate.

○